## Agenda Item No. 7.0



233 South Wacker Drive Suite 800 Chicago, Illinois 60606

312 454 0400 www.cmap.illinois.gov

## **MEMORANDUM**

**To:** Regional Coordinating Committee

From: CMAP Staff

**Date:** June 5, 2013

**Re:** Housing Policy Updates – Tracking Housing Change in the Region



During Fiscal Year 2013, CMAP staff began a series of Housing Policy Updates on CMAP's Policy Updates blog. The purpose of this initiative is to utilize CMAP's data assets to analyze ongoing trends as they relate to GO TO 2040 and to provide a resource for communities and stakeholders to better understand local and regional change. The project began as quarterly updates tracking

multiple housing metrics and has transitioned to multiple quarterly updates on specific topics.

Over the last year, the blogs have highlighted several key changes occurring in the region. Both single and multifamily development bottomed in 2009 and have begun to recover. Initially, increased permitting for both building types was concentrated in the region's core. However, 2012 brought a resurgence of single-family permits and starts in the collar counties. Case-Shiller Data on sales prices also indicates an uneven recovery across home value tiers, with low-value homes experiencing steeper and more sustained value decreases as compared to high-value homes. However, home values in the region have begun to recover and are now experiencing year-to-year increases.

Bucking a decade-long trend, market-rate, multifamily rental development is strongly underway in the region's suburban areas and is projected to exceed City of Chicago construction rates within the next several years. However, the region must overcome a longer-term decline in multifamily rental units. While a large number of single-family units have transitioned to the rental market as a result of the housing crisis, it is unclear if these units will return to the for-sale market or continue to provide housing options for the region's renters. In the near term, renters are facing a combination of lower incomes and higher rents.

A recent Environmental Protection Agency Analysis found that the Chicago Metropolitan Statistical Area had **increased its proportion of residential development in infill areas** from 2005-09 as compared to earlier time periods. Recent permitting and development data appear to support a continuation of this trend. Subsequent housing policy updates will continue to track housing trends as the region emerges from the downturn and housing development recovers.